



Republic of the Philippines
Supreme Court
 Baguio City

SUPREME COURT OF THE PHILIPPINES
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SECOND DIVISION

**WILFREDO CABUGUAS, RENATO
 CABUGUAS, ALEJANDRO "TABOY"
 CAÑETE AND ELEAZAR MORTOS,***

Petitioners,

- versus -

GALLANT S. TAN NERY, represented
 by KATHERINE TAN NERY-TOLEDO,**
 Respondent.

G.R. No. 219915

Present:

**CARPIO, J., Chairperson,
 PERLAS-BERNABE,
 CAGUIOA,
 J. REYES, JR.,* and
 LAZARO-JAVIER, JJ.**

Promulgated:

03 APR 2019

[Signature]

x-----x

RESOLUTION

CAGUIOA, J.:

Before the Court is a petition for review on *certiorari*¹ (Petition) under Rule 45 of the Rules of Court assailing the Decision² dated March 27, 2015 and Resolution³ dated July 9, 2015 of the Court of Appeals (CA) in CA-G.R. SP No. 04856-MIN, which granted petitioners' petition for review under Rule 43 of the Rules of Court, reversed and set aside the Decision⁴ dated May 20, 2010 and the Resolution dated March 24, 2012 of the Department of Agrarian Reform Adjudication Board, Quezon City (DARAB-Central) in DARAB Case No. 14181, and reinstated the Decision⁵ of the Provincial Agrarian Reform Adjudicator of DARAB Malaybalay City, Bukidnon in DARAB Case No. X-05-1663.

* Also spelled as "Mortus" in some parts of the *rollo*.

** Also spelled as "Neri" in some parts of the *rollo*.

• On wellness leave.

¹ *Rollo*, pp. 10-21, excluding Annexes.

² *Id.* at 36-45. Penned by Associate Justice Edward B. Contreras and concurred in by Associate Justices Edgardo T. Lloren and Rafael Antonio M. Santos.

³ *Id.* at 47-48. Penned by Associate Justice Edgardo T. Lloren and concurred in by Associate Justices Oscar V. Badelles and Rafael Antonio M. Santos.

⁴ *Id.* at 28-34.

⁵ *Id.* at 22-25.

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Facts

The facts, as narrated by the CA, are as follows:

On May 11, 2005, Gallant S. Tan Nery [(respondent)] filed a Complaint for Recovery of Possession of Real Property and Ejectment before the DARAB, Office of the Provincial Agrarian Reform Adjudicator in Malaybalay City, Bukidnon, docketed as DARAB Case No. X-05-1663, against Wilfredo Cabugas, Renato Cabugas, Taboy Canete and Eleazar Mortus [(petitioners)], involving a parcel of land situated in Barangay San Jose, Malaybalay, Bukidnon, with an area of Four Thousand Two Hundred Four (4,204) square meters, more or less, covered by Transfer Certificate of Title (TCT) No. AT-15991 with Certificate of Land Ownership Award (CLOA) No. 00318948 issued by the Department of Agrarian Reform (DAR) on December 22, 2000, in favor of [respondent] and registered on April 23, 2001.

In his complaint, [respondent], represented by his sister, Eden Tan Nery Mamawag, alleged, among others, that: sometime on August 16, 2001, [respondent], through his niece, Cecilia Ellen Mamawag, looked for laborers to conduct the act of brushing and land preparation of his landholding for the purpose of planting yellow corn; his niece contacted and eventually contracted the labor services of respondent Wilfredo Cabugas (Wilfredo for brevity) to perform the desired land preparation for a fee; astonishingly, after the land preparation and after having been paid, Wilfredo, without hesitation and through stealth and evil machination, immediately occupied the subject land and planted it with various agricultural crops such as bananas, cassavas, coconuts and fruit trees; Wilfredo even built a house thereon upon his assumption that the land area is an excess, hence untitled, and could be occupied and tilled for purposes of agricultural production and eventually could be applied for titling; Wilfredo even invited other persons, namely: (a) his son, co-[petitioner] Renato Cabugas, to build a house thereon, (b) co-[petitioner] Eleazar Mortus to build a house and sawmill, and (c) co-[petitioner] Taboy Canete to also build a house thereon while he works at the sawmill of Eleazar; this prompted [respondent], th[r]ough his representative, to report and bring the issue to the Office of the Barangay Agrarian Reform Council (BARC) Chairman and to the DAR Legal Office of Malaybalay City for a possible amicable settlement but all these efforts failed.

Meanwhile, on July 12, 2005, [petitioners] filed their Answer denying the allegations in the complaint and averring that: the subject property was previously owned by the parents of the [respondent]; however, the same was mortgaged and subsequently foreclosed by a bank in Cagayan de Oro City; after its foreclosure, the landholding was placed under the coverage of the land reform program by the DAR. Surprisingly, the beneficiaries identified by the DAR are the children of the previous owner to the exclusion of [petitioners], especially Wilfredo, who are all actual occupants and landless residents of the place where the land is located; [respondent] is not an actual occupant or resident of San Jose, Malaybalay City, Bukidnon and the CLOA issued to him will bear this out; [petitioners] have been actually possessing, occupying, tilling and cultivating their respective portions of the subject landholding for a long period of time and have acquired a vested and preferential right to become farmer-beneficiaries thereof pursuant to Section 22 of RA 6657 and as



such, they cannot be ejected therefrom as they are more qualified to become beneficiaries than [respondent]. [Petitioners] also questioned the jurisdiction of the DARAB arguing that the instant case necessarily involves the administrative implementation of the land reform program to which the DARAB has no jurisdiction. [Petitioners] then prayed for the dismissal of the case for lack of merit and lack of cause of action.⁶

In a Decision dated October 18, 2005, Provincial Adjudicator Noel P. Carreon ruled in favor of respondent. The dispositive portion states:

WHEREFORE, foregoing premises considered, decision is hereby rendered as follows:

1. Directing all the respondents [petitioners herein] to vacate and surrender the subject landholding to the complainant;
2. Directing respondents to transfer and/or demolish whatever structures they may have built in the area;
3. Directing respondents to immediately desist from further cultivating the subject landholding and should there be standing crops in the area, the same are to be harvested by respondents by giving its shares to the complainant.
4. All other claims are denied for lack of basis.

SO ORDERED.⁷

On appeal, the DARAB-Central then rendered its Decision reversing the Provincial Adjudicator and ruling that the DARAB has no jurisdiction over the complaint since it involves an administrative investigation of whether respondent's CLOA was valid given the claim of petitioners that they were the actual tillers and occupants of the land for a long period of time.⁸ For the DARAB-Central, it was the Secretary of the DAR that had jurisdiction.⁹ The dispositive portion of the DARAB-Central's Decision states:

WHEREFORE, premises considered, the appealed Decision dated October 18, 2005 is REVERSED and SET ASIDE. In lieu thereof, judgment is hereby rendered DISMISSING the instant case for lack of jurisdiction.

SO ORDERED.¹⁰

Respondent appealed to the CA, which reinstated the Provincial Adjudicator's Decision and reversed and set aside the DARAB-Central's

⁶ Id. at 37-38.

⁷ Id. at 25.

⁸ Id. at 33.

⁹ Id.

¹⁰ Id. at 34.



Decision. The CA ruled that a reading of respondent's complaint showed that it involved an agrarian dispute that was well within the jurisdiction of the DARAB.¹¹ The CA further ruled that respondent's CLOA could not be impeached or defeated by mere allegation of irregularity by the government agency prior to its issuance.¹² The CA also ruled that as a CLOA holder, respondent is entitled to enjoy and possess the land and recover it.¹³

Petitioners moved for reconsideration, but this was denied.

Hence, this Petition.

Issues

The errors assigned by petitioners are as follows:

x x x THAT THE HONORABLE COURT OF APPEALS, TWENTY-THIRD DIVISION ERRED IN REVERSING THE DECISION DATED MAY 20, 2010 OF THE DARAB-CENTRAL

x x x THAT THE HONORABLE COURT OF APPEALS, TWENTY-THIRD DIVISION HAS LIKEWISE ERRED IN PRONOUNCING THAT THE DARAB HAS JURISDICTION OVER THE INSTANT CASE.¹⁴

The Court's Ruling

The Court remands the case to the CA for further proceedings.

In reversing the DARAB-Central's Decision, the CA ruled as follows:

x x x As such, the burden of proving the ineligibility or disqualification of the awardee rests upon the person who avers it through clear and satisfactory proof or substantial evidence as required by law. Thus, it is incumbent upon [petitioners] to prove that [respondent] does not deserve the government grant. [Petitioners], however, failed to discharge such burden. Other than their bare allegations, they did not proffer substantial evidence to prove that they have vested and preferential right to become farmer-beneficiaries of the subject landholding. Even during the tedious administrative process prior to the issuance of the CLOA, [petitioners] did not make any objections nor did they establish their right to such landholding. Having failed to discharge the burden, it is then proper to assume that the issuance of the CLOA was regular and correct.

While it is true that the issuance of the CLOA does not put the ownership of petitioner beyond attack and scrutiny, respondents should have done it in a separate action for that purpose. As held in a plethora of

¹¹ Id. at 41.

¹² Id. at 42-43.

¹³ Id. at 43.

¹⁴ Id. at 14.



cases, the issue of the validity of title, *i.e.*, whether or not it was fraudulently issued, can only be raised in an action expressly instituted for that purpose. The validity of the CLOA cannot be attacked collaterally. x x x¹⁵

Petitioners, in arguing that the CA erred in reversing the DARAB-Central's Decision, attached a Certificate of Finality¹⁶ dated November 23, 2010 from the DAR Regional Office 10 which involves the same parties and what appears to be the same parcel of land described as the 4,204-square meter land located in Barangay San Jose, Malaybalay City, Bukidnon. The Certificate of Finality makes reference to a February 9, 2010 Order of the Secretary of the DAR, the dispositive portion of which states:

“WHEREFORE, premises considered, the appeal is partly GRANTED. The Orders dated 17 January 2008 and 23 June 2008 are REVERSED AND SET ASIDE. A new Order is issued thus:

1. DECLARING Galant Tan Nery not qualified to become farmer-beneficiary of the subject land;
2. DECLARING Wilfredo Cabugas, Renato Cabugas, Taboy Canete and Eleazar Mortus as the rightful beneficiaries of the subject land;
3. DIRECTING Wilfredo Cabugas, Renato Cabugas, Taboy Canete and Eleazar Mortus to cause the cancellation of the CLOA issued to Galant Tan Nery; and
4. DIRECTING the MARO and PARO concerned to issue the corresponding CLOAs to Wilfredo Cabugas, Renato Cabugas, Taboy Canete and Eleazar Mortus.

SO ORDERED.”¹⁷

It appears that petitioners had indeed commenced such separate action to assail the CLOA of respondent, and it would also appear that the action was decided in favor of petitioners and that it has become final and executory. Nonetheless, the Certificate of Finality attached by petitioners is not a certified true copy. Further, the determination of its validity and its effect on this case is a factual matter that the Court cannot determine. Thus, as a matter of fairness and in the interest of speedy disposition of cases, the Court deems it proper to remand the case to the CA for further proceedings.¹⁸

In *Manotok IV v. Heirs of Homer L. Barque*¹⁹ (*Manotok*) the Court explained the propriety and rationale behind remanding a case to the CA for the determination of a factual issue, thus:

¹⁵ Id. at 43.

¹⁶ Id. at 49-50.

¹⁷ Id. at 49.

¹⁸ The Court adopted the same course of action in the case of *Republic v. Banal na Pag-aaral, Inc.*, G.R. No. 193305, February 5, 2018.

¹⁹ 595 Phil. 87 (2008).



Under Section 6 of Rule 46, which is applicable to original cases for *certiorari*, the Court may, whenever necessary to resolve factual issues, delegate the reception of the evidence on such issues to any of its members or to an appropriate court, agency or office. The delegate need not be the body that rendered the assailed decision.

The [CA] generally has the authority to review findings of fact. Its conclusions as to findings of fact are generally accorded great respect by this Court. It is a body that is fully capacitated and has a surfeit of experience in appreciating factual matters, including documentary evidence.


In fact, the Court had actually resorted to referring a factual matter pending before it to the [CA]. In *Republic v. [CA]*, this Court commissioned the former Thirteenth Division of the [CA] to hear and receive evidence on the controversy, more particularly to determine “the actual area reclaimed by the Republic Real Estate Corporation, and the areas of the Cultural Center Complex which are ‘open spaces’ and/or ‘areas reserved for certain purposes,’ determining in the process the validity of such postulates and the respective measurements of the areas referred to.” The [CA] therein received the evidence of the parties and rendered a “Commissioner’s Report” shortly thereafter. Thus, resort to the [CA] is not a deviant procedure.

The provisions of Rule 32 should also be considered as governing the grant of authority to the [CA] to receive evidence in the present case. Under Section 2, Rule 32 of the Rules of Court, a court may, *motu proprio*, direct a reference to a commissioner when a question of fact, other than upon the pleadings, arises upon motion or otherwise, in any stage of a case, or for carrying a judgment or order into effect. The order of reference can be limited exclusively to receive and report evidence only, and the commissioner may likewise rule upon the admissibility of evidence. The commissioner is likewise mandated to submit a report in writing to the court upon the matters submitted to him by the order of reference. In *Republic*, the commissioner’s report formed the basis of the final adjudication by the Court on the matter. The same result can obtain herein.²⁰ (Emphasis supplied)

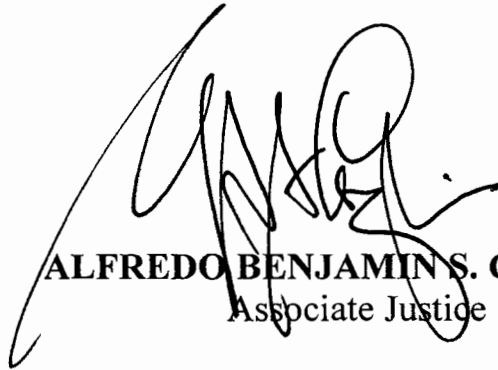
Hence, pursuant to Rules 32 and 46 of the Rules of Court, and consistent with the Court’s ruling in *Manotok*, this case is remanded to the CA in order to: (i) allow petitioners to present proof of the status of the CLOA of the 4,204-square meter land located in Barangay San Jose, Malaybalay City, Bukidnon; and (ii) allow respondent to present controverting evidence, if there be any.

In view of the foregoing, the case is **REMANDED** to the Court of Appeals for further proceedings in furtherance of the foregoing purposes and to forthwith submit its resolution to the Court for appropriate action.

²⁰ Id. at 148-149, citing *Manotok Realty, Inc. v. CLT Realty Development Corp.*, 565 Phil. 59, 98-100 (2007). See also *IVQ Landholdings, Inc. v. Barbosa*, 803 Phil. 419, 440 (2017).

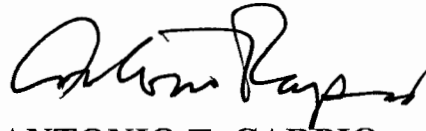


SO ORDERED.




ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

WE CONCUR:



ANTONIO T. CARPIO
Associate Justice
Chairperson



ESTELA M. PERLAS-BERNABE
Associate Justice


(On wellness leave)
JOSE C. REYES, JR.
Associate Justice



AMY C. LAZARO-JAVIER
Associate Justice

ATTESTATION

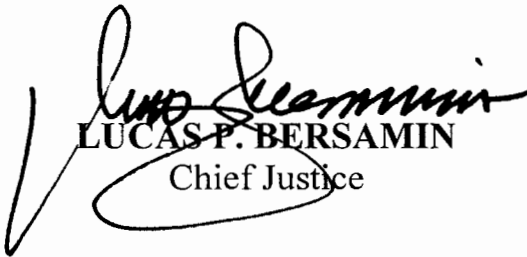
I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


LUCAS P. BERSAMIN
Chief Justice

